



William Floyd Union Free School District

of the MASTICS – MORICHES – SHIRLEY
240 Mastic Beach Road, Mastic Beach, New York 11951-1028
(631) 874-1684 (631) 874-1847 (Fax)

BOARD OF EDUCATION

Robert Vecchio, President • Jeananne Dawson, Vice President • Joseph Barone • Viola English • Thomas A. Gross • Anthony Speruta • Robert Taiani

Paul Casciano, Ed.D.
Superintendent of Schools

Anne Marie Marrone Caliendo
Assistant Superintendent for Business

Before the Federal Communications Commission Washington, DC 20554

In the Matter of)	
)	
Request for Review of a)	
Decision of the)	
Universal Service Administrative Company,)	
Schools and Libraries Division by)	
)	
William Floyd School District)	
)	
Schools and Libraries Universal Service)	CC Docket No. 02-6
Support Mechanism)	

REQUEST FOR REVIEW AND APPEAL OF THE DECISION OF THE UNIVERSAL SERVICE ADMINISTRATIVE COMPANY, SCHOOLS AND LIBRARIES DIVISION AND REQUEST FOR WAIVER OF THE COMMISSION'S RULES

Applicant Name: William Floyd School District
Billed Entity Number: 124010
Funding Year: 2006
Form 471 Number: 538560
Funding Request Numbers: 1491578, 1491579, 1639037

Introduction

The William Floyd School District (WF) in accordance with the Federal Communication Commission (FCC) rules, appeals the decisions of the Universal Service Administrative Company, Schools and Libraries Division (USAC), in the Notification of Commitment

Adjustment Letters dated January 25, 2011, and requests a waiver of Section 54.504 of the Commission's rules.

Commitment Adjustment Letters (CAL) seeking Recovery from School District

1491578 service provider: AT&T Corp, USAC seeks to recover \$53,265.43 (Exhibit 1)

1491579 service provider: Verizon NY, USAC seeks to recover \$46,953.92 (Exhibit 2)

1639037 service provider: Broadview, USAC seeks to recover \$6,722.93 (Exhibit 3)

Both CALs regarding AT&T and Verizon NY, state in relevant part, that since "you failed to comply with local and state procurement laws you violated the competitive bidding process. Accordingly, your funding commitment will be rescinded in full and USAC will seek recovery of any disbursed funds from the applicant."

New York State Purchasing Rules and Regulations, during the time in question, contained in NY General Municipal Law Section 103, requires certain contracts for public work involving expenditures of more than \$20,000 to have an advertisement for bids for 5 days in a local newspaper.

Discussion

The Office of the NYS Comptroller states that one of the goals of competitive bidding is to allow interested vendors a fair and equal opportunity to compete. The rationale for the NYS requirement to put an ad in a local paper is to provide at a minimum, public notice and an opportunity for vendors to provide a response.

Posting the Form 470 for 28 days effectively gives superior notice to all qualified vendors. The NYS required 5 day advertisement in a local paper only reaches a small local audience, if they even see it, during the short time advertised in the paper.

The Posted Form 470 is online and provides notice for all qualified vendors around the country. The local paper fails in comparison to provide notice to all qualified vendors locally and across the country.

The NYS 5 day advertisement is a minimum requirement. The Form 470 properly posted by WF far exceeds the NYS minimum purpose and goal to provide public notice and is well beyond the local newspaper 5 day requirement. Therefore, the competitive bidding process was not compromised and there was no waste, fraud or abuse.

WF officials' intentions were to comply with all federal, state, and local procurement requirements and any omission of a technical requirement was unintentional. Prior to the Posting of the Form 470, WF officials received a memorandum from their internal claims auditor stating that utility services, such as telephone services, were not required to be bid. The officials, relied on this incorrect information, but their request to find out what the procurement required, shows their intent to comply with all procurement rules.

Additionally, we note, that in accordance with USAC requirements, WF properly posted the Form 470, waited the required 28 days, determined that their current vendors provided the most cost effective solution and selected Verizon NY and AT&T, (both are on NYS Contract).

Drastic Budget Cuts

Recent State budget cuts have had drastic negative impacts on WF. In particular, in the Superintendent's Report on the 2011-12 Budget (Exhibit 4), states that the Governor will be reducing state aid to their district and this is particularly critical for WF, which depends on state aid. Our early estimates are that we may need to cut over \$20 million from our current budget and this would be coming on the heels of \$12.5 million of reductions we made to our 2010-11 budget.

WF is in the unfortunate position of having to lay off about 150 school employees, (on top of the 140 positions slashed last year) about half of whom are teachers, cut all sports and music.

Commitment Adjustment Letters (CAL) seeking Recovery from School District

1639037 service provider: Broadview, USAC seeks to recover \$6,722.93

The CAL above, regarding Broadview stated that the "6Mbps T-1 line was replaced by the new service provider with a 45Mbps DS3 line....The new DS3 line added increased capacity from the T-1 line specified in the FCC Form 471 and was, therefore, a change in service that meets the definition of a service substitution."

This increase in bandwidth benefited the students and WF was not aware this was considered a change in service requiring a service substitution.

We are requesting a waiver of the service substitution deadline and appeal the decision.

Conclusion

There is no evidence that WF engaged in any activity intended to defraud or abuse the program and there was no waste fraud or abuse. Based on the small ministerial error and unintentional omission, the request for the complete amounts already paid to the vendors for telecom services and disbursed (\$106,742.18) would severely impact the school district, is not in the public interest and would unduly penalize the students.

The *Bishop Perry* decision (offers a remedy for errors where "there is no evidence of waste, fraud or abuse, or misuse of funds." Furthermore, under the *Northeast Cellular Telephone Co. decision*, the Commission may grant a waiver if special circumstance warrant a deviation from the general rule, and such deviation would better serve the public interest, than strict adherence to the general rule.

William Floyd School District respectfully requests the waiver of the Commission's rules and allow the school district to retain the funding it has received for FY 2006 FRNs discussed above.

Respectfully submitted on behalf of the
William Floyd School District,

A handwritten signature in blue ink that reads "David Beggins". The signature is written in a cursive style with a large, looping "D" and a stylized "B".

David Beggins,
Assistant Business Administrator

Exhibit #1



Universal Service Administrative Company

Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2006: July 1, 2006 - June 30, 2007

January 25, 2011

BRETTON L. HIMSWORTH
WILLIAM FLOYD SCHOOL DISTRICT
625 LOCUST ST.-SUITE 1
GARDEN CITY, NY 11530

Re: Form 471 Application Number:	538560
Funding Year:	2006
Applicant's Form Identifier:	06-WFLOYD
Billed Entity Number:	124010
FCC Registration Number:	0009384561
SPIN:	143001192
Service Provider Name:	AT&T Corp.
Service Provider Contact Person:	William OToole

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

Schools and Libraries Division - Correspondence Unit
100 South Jefferson Road, P.O. Box 902, Whippany, NJ 07981
Visit us online at: www.usac.org/sl

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: William OToole
AT&T Corp.

Funding Commitment Adjustment Report for
Form 471 Application Number: 538560

Funding Request Number:	1491578
Services Ordered:	TELCOMM SERVICES
SPIN:	143001192
Service Provider Name:	AT&T Corp.
Contract Number:	MTM
Billing Account Number:	0302776929001
Site Identifier:	124010
Original Funding Commitment:	\$53,265.44
Commitment Adjustment Amount:	\$53,265.44
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$53,265.43
Funds to be Recovered from Applicant:	\$53,265.43

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. On your FY 2006 FCC Form 470 you certified that you reviewed and complied with all FCC, state and local procurement/competitive bidding requirements. During the course of an audit it was determined that failed to comply with all FCC, state and local procurement/competitive bidding requirements. New York State Purchasing Rules and Regulations contained in NY General Municipal Law Section 103 and William Floyd School District Regulation 5421R require all contracts for public work involving expenditures of more than \$20,000.00 have an advertisement for bids in a newspaper. This Funding Requests pre-discount amount exceeded \$20,000.00 however the applicant did not place an advertisement to bid in a newspaper. The FCC rules require that the applicant submits a bona fide request for services by conducting internal assessments of the components necessary to use effectively the discounted services they order, submitting a complete description of services they seek so that it may be posted for competing providers to evaluate and certify to certain criteria under penalty of perjury. Since you failed to comply with local and state procurement laws you violated the competitive bidding process. Accordingly, your funding commitment will be rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

After a thorough investigation, it has been determined that funds were improperly disbursed on this funding request. During the course of an audit it was determined that the funds were disbursed in excess of products and/or services actually delivered to the applicant. Specifically, the applicant invoiced USAC for duplicate service which was in excess of the amount billed for the services provided by the service provider. FCC rules authorize USAC to disburse funds to service providers for providing supported services to eligible entities. These rules are violated if the Administrator is invoiced and funds are disbursed in excess of the services and/or products delivered to the eligible entity. In this situation, the applicant certified on the BEAR Form that discount amounts for which the applicant is seeking reimbursement represent charges for eligible services delivered to and used by eligible entities. Additionally, the applicant made a certification on the BEAR form stating that the discount amounts listed on the form were already billed by the service provider and paid by the Billed Entity Applicant on behalf of eligible schools, libraries, and consortia of those entities. Therefore, USAC has determined that the applicant is responsible for this rule violation and will seek recovery of the \$10,171.46 of improperly disbursed funds from the applicant. This amount is included in the violation above.

Exhibit #2



Universal Service Administrative Company

Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2006: July 1, 2006 - June 30, 2007

January 25, 2011

BRETTON L. HIMSWORTH
WILLIAM FLOYD SCHOOL DISTRICT
625 LOCUST ST.-SUITE 1
GARDEN CITY, NY 11530

Re: Form 471 Application Number:	538560
Funding Year:	2006
Applicant's Form Identifier:	06-WFLOYD
Billed Entity Number:	124010
FCC Registration Number:	0009384561
SPIN:	143001359
Service Provider Name:	Verizon New York Inc.
Service Provider Contact Person:	Robert Kannegieser

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

Schools and Libraries Division - Correspondence Unit
100 South Jefferson Road, P.O. Box 902, Whippany, NJ 07981
Visit us online at: www.usac.org/sl

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/si/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Robert Kannegieser
Verizon New York Inc.

Funding Commitment Adjustment Report for
Form 471 Application Number: 538560

Funding Request Number:	1491579
Services Ordered:	TELCOMM SERVICES
SPIN:	143001359
Service Provider Name:	Verizon New York Inc.
Contract Number:	MTM
Billing Account Number:	6312813021
Site Identifier:	124010
Original Funding Commitment:	\$46,953.97
Commitment Adjustment Amount:	\$46,953.97
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$46,953.92
Funds to be Recovered from Applicant:	\$46,953.92

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. On your FY 2006 FCC Form 470 you certified that you reviewed and complied with all FCC, state and local procurement/competitive bidding requirements. During the course of an audit it was determined that the applicant failed to comply with all FCC, state and local procurement/competitive bidding requirements. New York State Purchasing Rules and Regulations contained in NY General Municipal Law Section 103 and William Floyd School District Regulation 5421R require all contracts for public work involving expenditures of more than \$20,000.00 have an advertisement for bids in a newspaper. This FRNs pre-discount amount exceeded \$20,000.00 however applicant did not place an advertisement to bid in a newspaper. The FCC rules require that the applicant submits a bona fide request for services by conducting internal assessments of the components necessary to use effectively the discounted services they order, submitting a complete description of services they seek so that it may be posted for competing providers to evaluate and certify to certain criteria under penalty of perjury. Since you failed to comply with local and state procurement laws you violated the competitive bidding process. Accordingly, your funding commitment will be rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

After a thorough review, it was determined that the funding commitment for this request must be reduced by \$569.43. During the course of an audit it was determined that funding was provided for the following ineligible items: Pay Phone Service. The pre-discount cost associated with these items \$981.78. At the applicants 58 percent discount rate this resulted in an improper commitment of \$569.43. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, www.universalservice.org/sl/about/eligible-services-list.aspx for the Eligible Services List. In this situation, the applicant made the certifications on the BEAR Form indicating that the services and/or equipment provided to the applicant were eligible for funding. On the BEAR Form, the authorized person certifies at Block 3, Item A that discount amounts for which reimbursement is sought represent charges for eligible services delivered to and used by eligible entities. Therefore, USAC has determined that the applicant is responsible for the rule violation. Accordingly, the commitment has been reduced by \$569.43 and if recovery is required USAC will seek recovery from the applicant. This is included in the violation above.

After a thorough review, it was determined that \$784.61 in funds was improperly disbursed for this funding request. During the course of an audit it was determined that funding was provided for the following ineligible items: credits and refunds. The pre-discount cost associated with these items is \$1,352.57. At the applicants 58 percent discount rate this resulted in an improper disbursement of \$784.61. FCC

Exhibit #3



Schools & Libraries Division

Notification of Improperly Disbursed Funds Recovery Letter
Funding Year 2006: July 1, 2006 - June 30, 2007

January 25, 2011

BRETTON L. HIMSWORTH
WILLIAM FLOYD SCHOOL DISTRICT
625 LOCUST ST.-SUITE 1
GARDEN CITY, NY 11530

Re: Form 471 Application Number: 538560
Funding Year: 2006
Applicant's Form Identifier: 06-WFLOYD
Billed Entity Number: 124010
FCC Registration Number: 0009384561
SPIN: 143008617
SPIN Name: Broadview Networks Holdings, Inc
Service Provider Contact Person: Amy Wong

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were disbursed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now recover these improper disbursements. The purpose of this letter is to inform you of the recoveries as required by Program rules, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the Program rule violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error.

This is NOT a bill. The next step in the recovery of improperly disbursed funds process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

Schools and Libraries Division - Correspondence Unit
100 South Jefferson Road, P.O. Box 902, Whippany, NJ 07981
Visit us online at: www.usac.org/sl

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Notification of Improperly Disbursed Funds decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Improperly Disbursed Funds Recovery Letter and the funding request numbers you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Funding Disbursement Recovery Report included with this letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING DISBURSEMENT RECOVERY REPORT

On the pages following this letter, we have provided a Funding Disbursement Recovery Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from the application for which recovery is necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to the service provider for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on these FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action. The Report explains the exact amount the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Amy Wong
Broadview Networks Holdings, Inc

Funding Disbursement Recovery Report
for Form 471 Application Number: 538560

Funding Request Number: 1639037
Services Ordered: TELCOMM SERVICES
SPIN: 143008617
Service Provider Name: Broadview Networks Holdings, Inc.
Contract Number: MTM
Billing Account Number:
Site Identifier: 124010
Funding Commitment: \$66,695.87
Funds Disbursed to Date: \$25,548.36
Funds to be Recovered from Applicant: \$6,722.93

Disbursed Funds Recovery Explanation:

After a thorough investigation, it has been determined that funds were improperly disbursed on this funding request. During the course of an audit it was determined that the funds were disbursed in excess of products and/or services actually delivered to the applicant. Specifically, a rebate check of \$345.00 was not deducted from the pre-discount costs billed to USAC. At the discount rate of 58% the result was a \$200.10 over-reimbursement. FCC rules authorize USAC to disburse funds to service providers for providing supported services to eligible entities. These rules are violated if the Administrator is invoiced and funds are disbursed in excess of the services and/or products delivered to the eligible entity. In this situation, the applicant certified on the BEAR Form that discount amounts for which the applicant is seeking reimbursement represent charges for eligible services delivered to and used by eligible entities. Additionally, the applicant made a certification on the BEAR form stating that the discount amounts listed on the form were already billed by the service provider and paid by the Billed Entity Applicant on behalf of eligible schools, libraries, and consortia of those entities. Therefore, USAC has determined that the applicant is responsible for this rule violation and will seek recovery of the \$200.10 of improperly disbursed funds from the applicant.

After a thorough investigation, it has been determined that funds were improperly disbursed on this funding request. During the course of an audit it was determined that funds were disbursed for products and/or services that were not approved on the Form 471 and the products and/or services do not meet the requirements for an eligible service substitution. The telecommunications service funded under FRN 1491578 included a 6Mbps T-1 line and a 1.5Mbps T-1 line. Another service provider was procured during the funding year to replace the original service provider for these two services. In this transition, the 6Mbps T-1 line was replaced by the new service provider, under this FRN, with a 45Mbps DS3 line. FCC rules require that applicants indicate on the Form 471 and item 21 attachments the services and/or equipment for which they are seeking funding so that USAC can determine whether the services and/or equipment are eligible for funding. This rule is broken when service providers deliver services and/or equipment that was not approved on a Form 471 and receives payment from USAC for those services and/or products. In this situation, the applicant made the certifications on the BEAR Form listed below indicating that the services had been approved by the administrator. On the BEAR Form at Block 3 Item C, the authorized person certifies that the discount amount billed to USAC is for eligible services approved by the fund administrator pursuant to a Form 471 Funding Commitment Decisions Letter. USAC has determined that the applicant is responsible for this rule violation. Therefore, USAC will seek recovery of the \$6,522.83 of improperly

disbursed funds from the applicant.

Exhibit #4

Superintendent's Report on the 2011-12 Budget

At the January 25, 2011 Board of Education Meeting, Superintendent Dr. Paul Casciano shared the following report regarding the 2011-12 school year budget:

"Next week Governor Cuomo will be releasing his first executive budget. We expect that the Governor will be reducing State Aid to districts. This is particularly critical for districts like ours which depend on State Aid for a little more than half of our revenue each year. This number used to be closer to 75%, however there has been a steady decline in the support from our State over time. State Aid is our largest source of revenue.

It appears that a Property Tax Cap will not only be in the proposed budget but that some form of the tax cap will get the support of the State legislature; both the senate and the assembly.

As a homeowner and taxpayer, I know how challenging it is to keep up with the ever increasing costs of living on Long Island. The idea of a property tax cap is very attractive. Like many of you, I am in conflict. As a parent of two school-age children, I do not want to see a reduction in programs and services for students. This is the dilemma that taxpayers all over Long Island are going to be faced with – however it will be impossible to have both. Taxes are our second major source of revenue.

Our district is different than many other districts because our percent increases in spending are always lower than the percent increase in tax levy. Most districts have the reverse happen; percent budget increases always represent a higher percentage than the tax levy. As a result, any proposed tax cap will have an opposite result at William Floyd. A tax cap of 2%, which is the number being used by the Governor, would in effect, result in a spending cap of less than 2% in our district. In most other districts, that same tax cap would enable those districts to grow their budgets greater than 2%. A one percent increase in our tax levy raises approximately \$750,000 in revenue for William Floyd. This is not the same for all districts. Many districts are closer to raising \$1 million with a one percent increase on the tax rate and some districts can actually raise up to \$1.5 million. This means that, depending on what district you reside in, the same property tax cap of 2% can raise \$1.5 million (like at William Floyd), \$2 million in most other places and \$3 million in the wealthiest districts. This is not fair to our kids and the gap in educational opportunities widens under this plan.

The tax cap also devalues community input. Quite frankly, with a property tax cap, the purpose of voting on a budget is significantly diminished and the vote, which costs over \$10,000, is a waste of taxpayers' money.

We expect that the governor will propose eliminating any unnecessary state mandates. It is unlikely that the mandate relief ideas generated by the Governor will be able to generate an amount of revenue to offset state aid cuts this year.

The tax cap is too simple a solution to a complex problem. It is a cure that will kill the patient. With all state leaders now openly in support of a local property tax cap, our efforts must turn to shaping, rather than simply opposing, a cap. Our early estimates are that we may need to cut over \$20 million from our current budget as a result of the tax cap and reduced State Aid to arrive at the 2011-12 school year budget. This would be coming on the heels of \$12.5 million of reductions we made to get to our current 2010-11 budget.

The State is telling us how we are **not** going to finance education; they are not telling us how we **are** going to finance education."